

Appendix 2: Issues listing as to partial integration

I. Mutual objectives

- A. Define scope
- B. Benefit to patients and payers
- C. Participant objectives
- D. Identification of perceived synergies
- E. Market Impact

II. Nature of relationship

- A. Contractual (i.e., no unified entity)
- B. Special purpose entity (limited liability company, limited partnership, limited liability partnership, joint venture)
- C. For profit or not-for-profit

III. Respective roles and responsibilities

- A. Allocation of administrative and management responsibility
- B. Services to be provided
- C. Extent of capital required
- D. Allocation of risk
- E. Respective financial commitments
- F. Management authority and reporting

IV. Compensation and performance expectations

- A. Compensation for services
- B. Valuation of assets contributed
- C. Financial incentives
- D. Performance metrics
- E. Process for selection and expense sharing for selecting consultants and appraisers

V. Governance

- A. Composition of governing body
- B. Retained and reserved powers

- C. Negative control and supermajority requirements
- D. Deadlock resolution

VI. Scope

- A. Exclusive or nonexclusive
- B. Limited service line non-compete
- C. Types of services covered
- D. Geographic

VII. Term

- A. Duration, options to extend
- B. Termination without cause
- C. Termination with cause
- D. Termination with respect to changes in law
- E. Unwind provisions

VIII. Business plan and other issues

- A. Location of service
- B. Method of clinical integration
- C. Enforcement of quality and other metrics
- D. Dispute resolution
- E. Transaction timeline
- F. Financing or lease of premises/capital/or shared IT
- G. Naming rights/professional liability and other insurance and indemnifications
- H. Revenue and expense allocations/pass through or marked
- I. Employees and benefits leased from one participant or jointly contracted
- J. Initial capital and operating budgets
- K. Legal compliance and fair market value valuations for contributed assets